



U.S. Immigration
and Customs
Enforcement

April 26, 2005

News Release

LOCAL ATTORNEY, TWO CO-CONSPIRATORS INDICTED ON CHARGES OF ALIEN SMUGGLING, VISA FRAUD AND MONEY LAUNDERING *ICE agents uncover international visa fraud scheme spanning to the People's Republic of China*

HOUSTON – An indictment was unsealed today charging a local immigration attorney and two co-conspirators with visa fraud, alien smuggling and money laundering, following an investigation by U.S. Immigration and Customs Enforcement (ICE).

Kenneth L. Rothey, 64, a U.S. citizen and well known attorney who practiced immigration law in the Houston area, Horacio Golfarini, 43, a permanent resident born in Uruguay and also president of Capital Services Group, and his employee, Norman Chapa, 52, a U.S. citizen were indicted March 9, and unsealed today.

Horacio Golfarini and Norman Chapa were arrested by ICE and Internal Revenue Service Criminal Investigation agents this morning. They are scheduled to appear for hearings before a U.S. Magistrate Judge Wednesday. Kenneth L. Rothey is believed to be in China; efforts are underway to secure his return to the U.S.

All three defendants are charged with filing fictitious immigration petitions for Chinese nationals and for soliciting local businesses to sell or act as local petitioners to encourage these Chinese nationals to enter the United States and seek employment.

ICE agents uncovered this international visa scam from May 1999 to Jan. 2004 at Rothey's law offices located at 6200 Savoy and 7001 Corporate Dr. in Houston. Under this visa scheme, Rothey, Golfarini, and Chapa purportedly employed these Chinese nationals at anyone of the eight businesses located in Houston, and acted as petitioners on behalf of the Chinese clients seeking to gain employment in the U.S. and ultimately adjust their immigration status in this country.

Rothey and his co-conspirators would then pay these businesses anywhere from \$10,000 to \$20,000 to control an interest in the company, and then would encourage the Chinese nationals to enter the U.S. as representatives of the Chinese based companies to work as intra-company transferees, or as managers and executives. The defendants created the illusion that there was an affiliation between the Chinese-based company and the U.S.-based company and fill out fictitious immigration forms and send them to the U.S. Citizenship and Immigration Service's (CIS) Texas Service Center (TSC) for processing.

Once CIS and the TSC could see the affiliation between the Chinese-based company and the U.S.-based company, the Chinese nationals were encouraged to enter the country with the help of Rothey and his co-conspirators. The transactions were supported by Golfarini and others to present these petitions as valid.

Rothey and Golfarini are both charged with nine counts of encouraging unlawful immigration and twelve counts of visa fraud. In addition, Rothey and Golfarini also are charged with a scheme that laundered the funds obtained from their Chinese national clients. Money laundered involving \$267,000 in funds earned by their scams and eight additional counts for money laundering related to financial transactions that helped them conceal the source and nature of these funds.

"Anyone who files fictitious immigration petitions intending to defraud the government is violating the immigration laws in this country," said Joseph R. Webber, ICE's Houston office special agent-in-charge.

A fourth defendant, Ricardo Aguirre, 53, from Houston, was also charged in Aug. 2004, with immigration fraud. Aguirre worked with Rothey and admitted he had paid U.S. business owners approximately \$20,000 each for creating fraudulent subsidiary relationships with Chinese companies in order to sponsor the employment-based petitions for his Chinese clients.

The payments were made as part of down payments by a Chinese company to purchase a controlling interest in the U.S. based company, but the deals were never consummated. Rothey paid Aguirre and Golfarini a commission for each U.S. based company that successfully recruited into the scheme.

Aguirre is scheduled to be sentenced June 6 facing up to 10 years in prison, and fines up to \$250,000.

Each defendant faces up to five years in prison and fines of up to \$250,000 for the immigration fraud conspiracy, up to 10 or 15 years for the visa fraud scheme, with fines of \$250,000 and up to 20 years imprisonment per visa fraud count and fines up to \$500,000. The government is seeking to forfeit over \$490,000 in proceeds earned from the defendants' visa scam.

The Internal Revenue Service (IRS) Criminal Investigations Unit also worked with ICE on this investigation.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.